

The American Observer

A free, virtuous and enlightened people must know well the great principles and causes on which their happiness depends. — James Monroe

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APRIL 20, 1936

Increasing Costs of Government Studied

Opponents of Spending Program Cite 900 Per Cent Growth in Last 30 Years

WAR AND RELIEF BIG ITEMS

All Branches of Government Perform Many More Services Made Necessary by New Conditions

Many people are worried about the increasing costs of government. Figures which seem really startling are published, showing how much heavier the burdens upon the taxpayer are becoming. Quite a little publicity was given last week to information which came from the Treasury Department, showing that the cost of the federal government in the United States has gone up 900 per cent during the last 30 years. These figures show that at the turn of the century the national government was spending money at the rate of about \$6.50 a person. The population has grown since then, but the expenses have grown even more rapidly, for now the annual costs of the national government are about \$60 a person. Further figures indicate a rapid increase in the cost of state, city, and county, as well as federal, government. The states are now spending at the rate of more than \$20 per inhabitant each year. County governments cost about \$13. And city, town, or village government about \$45. The total per capita expenditure of government, then, is approximately \$60 per inhabitant for the national government and \$77 for the state and local governments, or \$137 per person for all government.

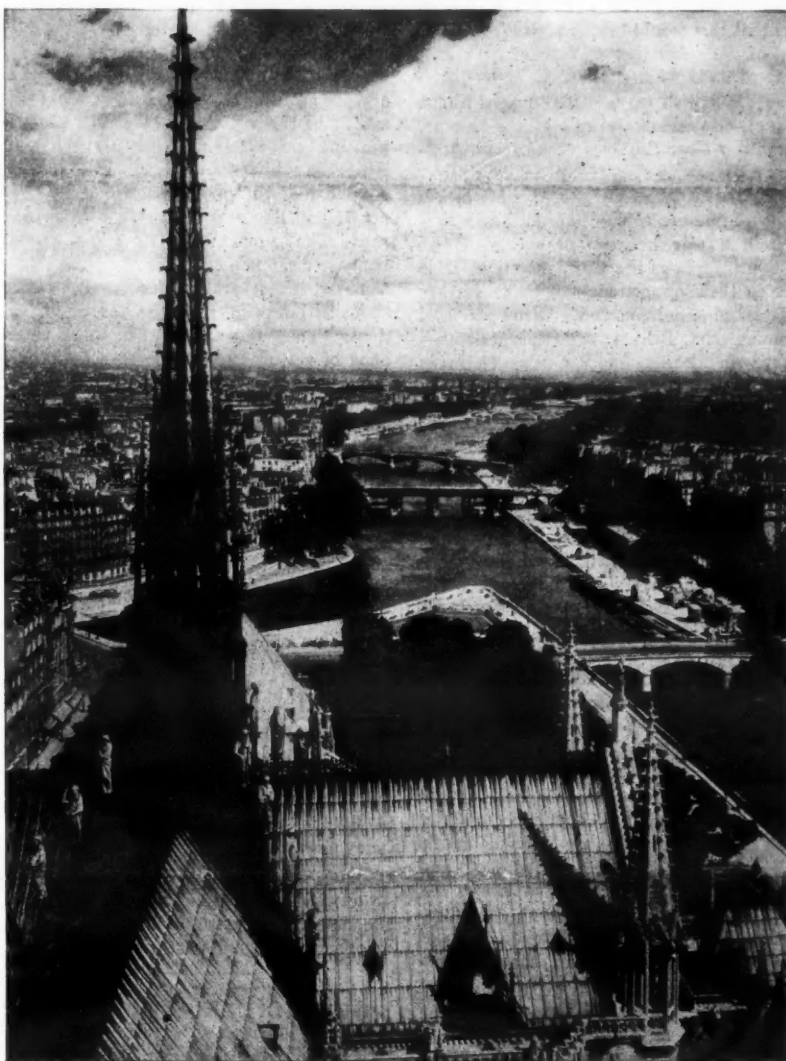
A Heavy Burden

If these figures are accurate, all governmental expenditures in the United States—national, state, and local—come to about \$17,000,000,000, or a little more than that. It is impossible to say exactly what the national income is. It was \$80,000,000,000 in 1929. It fell to less than half that during the depths of the depression. Probably it has now gone about halfway back to the peak. In other words, it is probably approaching \$60,000,000,000. Even so it appears that the people of the United States are turning over something like a third of their income to the various branches of government. This means that if all the income were divided equally, and if all the costs of government were divided equally, each citizen would turn over to the government, national, state, and local, about \$1 to every \$2 that he spent for his own personal needs—probably a little less than that, but fairly close to it.

There is no question that the charges which the different branches of the government make upon individuals are heavy. Nor is there any question but that in some cases these charges are very hard to bear. But the question is still an open one as to whether the individuals who make up the population would be any better off if the government should spend less. It comes down to this: Are the people getting full value for what they pay the government to do for them?

Let us say that the average citizen turns over one-third of his income to the government and has it do certain things for him. He takes the other two-thirds of his

(Continued on page 8)



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PARIS, SEEN FROM THE TOWERS OF NOTRE DAME

The French capital holds the center of the stage in the delicate international negotiations now in progress.

The Undiscovered Continents

(Reprinted from THE AMERICAN OBSERVER, of May 24, 1933)

The philosopher, George Santayana, has expressed an idea which is worth the attention of young men and women in the schools and colleges as the commencement season approaches. He says in the first chapter of his "Character and Opinion in the United States" that "the moral world always contains undiscovered or thinly peopled continents open to those who are more attached to what might or should be than to what already is." Those who are attached to things as they are find themselves in crowded territory. They will have plenty of support every time they defend injustice on the ground that it is customary; every time they stand for outworn principles of conduct on the ground that these principles are sanctioned by usage. Businessmen who lie in advertising their products, lawyers who resort to sharp practices to free clients whom they believe to be guilty, politicians who vote against their convictions in order to win votes, editors who take the popular side of controversies when they believe the unpopular side to be right, men and women of all sorts who practice little deceptions for personal advantage; all these can show that they are but following customary practices. They are living up to the accepted ethical codes. They are traveling beaten paths. They are settling in thickly peopled continents. There is a challenge, though, to the aspiring young people of the nation to follow a more distinguished course. They may remove themselves from the herd by going on expeditions of moral exploration. They know full well that false moral codes are responsible for a large share of our ills. Selfishness among nations, the absence of sympathy for foreigners, in justice toward classes of the population, unfair dealings between employers and employed, the unbridled quest for profits regardless of the common interest in the business world—what miseries have come from these practices! And what heartaches have resulted from the conduct of individuals in their personal relations—conduct which is legal and even customary, but lacking in that highest moral quality of thoughtfulness, consideration and altruism! When one leaves the beaten trails of social habit and undertakes to find for himself the paths of justice, he sets himself at no easy task. It is hard to measure the consequences of our acts so as to weigh them in the balance and say which is good. It is hard to discover the roads to justice and truth. We do know, however, that many of the accepted moral codes are inadequate. We can resolve to satisfy exacting demands of conscience in the determination of our personal and public relations. We can enlist ourselves as explorers in search of those "undiscovered or thinly peopled continents" where those reside who "are more attached to what might or should be than to what already is."

Crisis May Develop in European Turmoil

Statesmen Search Frantically for Solution of Both Ethiopian and Rhineland Affairs

FRANCE AND ENGLAND SPLIT

Cannot Agree on Joint Action to Be Taken Against Italy and Germany to Preserve Peace

A crisis in Europe which has been serious enough for weeks is becoming even more acute. Italy and Germany are still aggressive, the Italians in pursuing the Ethiopian war with renewed vigor, and the Germans in hurriedly fortifying the territory they have recently occupied along the Rhine. The British and the French are in disagreement as to what, if anything, shall be done to check Italy and Germany. There is a possibility that they may cease to cooperate, and a breakup of the League of Nations is not at all impossible. A committee of the League Council is now in session in Geneva in an attempt to reach some sort of settlement, and developments of first importance may soon be recorded.

In Africa

The troubles which have been brewing for a long time have been brought to a head by Italian military successes in Ethiopia. For months Mussolini's armies appeared to make little headway in the African conquest. Only a few weeks ago military experts in England and the United States were freely predicting that the fascist campaign would break down. The geography of Ethiopia, a mountainous country with few roads, was such that military operations were very difficult. The Italians had proceeded a little way, but they had not gone far, and, after a while—by about the first of June—the season of heavy rains will begin in northern Africa. It was said that further advances would be impossible during the wet months and the question was raised as to whether Italy, threatened by bankruptcy, could support her armies in idleness until the rainy season closed next fall.

Then the situation changed rather quickly. The Ethiopians, who had been doing very well at a sort of guerrilla warfare, risked pitched battles and were defeated. The Italians followed up their victories by air raids. Apparently they engaged extensively in poison gas warfare. We say "apparently" for the Italians deny this. But there is strong evidence from neutral observers that poison gas has been used with deadly effect not only against the Ethiopian armies but against the civilian population. This has demoralized the forces of Haile Selassie.

The Italians have now conquered about one-sixth of Ethiopian territory. They are still 300 miles from the capital, Addis Ababa, and the torrential summer rains will begin in about a month. So they have not yet won the war. But they have made great gains, and a very significant fact is their approach to Laka Tana, headwaters of the Blue Nile, which feeds into the Nile, whose waters are so essential to the British Sudan and Egypt.

It appears, therefore, that the attempts made by the League of Nations to curb the Italian invasion of Ethiopia will be unsuccessful. The League, spurred on by the British, have adopted a weak policy of sanctions. They have not gone the whole

way. They have not prohibited all trade with the Italians. They have not shut off the export of oil—a thing which would have very seriously crippled Italian military operations. They have, however, restricted trade with Italy, with the result that they have stirred the Italian people into rage and to the unified support of their leader, without having prevented successful operations by Il Duce's armies.

French Opposition

The chief reason why the League of Nations' sanctions policy against Italy has been so weak and ineffectual is that France has opposed strong action. Now comes another test, for the British are determined that the effort to prevent the conquest of Ethiopia shall not fail. They are going again to Geneva where the League of Nations Committee in charge of negotiations is in session, and they are demanding drastic action to curb the Italian invasion. Perhaps the British will demand at Geneva that sanctions be tightened and that the supply of oil be withheld. If this were done and done effectively, Mussolini's armies could not operate their airplanes or their tanks or their motor cars. Probably the advance would be stopped.

But France is likely to prevent the im-

against Italy. What, then, will the British do? It seems to them a very serious thing for Italy to push down into Ethiopia, to seize the territory around Lake Tana, to threaten the British hold in the Sudan, to build up a big force in northern Africa so that she may conceivably threaten the British communications through the Suez. Furthermore, the British are afraid of their prestige. If they have to back down, if they have to permit Italian aggression in northern Africa, then British subjects all over the world may lose confidence in the power of the mother country. They may revolt against that power. Many Britons feel that this would be the beginning of the end of the sway they have held over millions of dark-skinned peoples.

So the British may decide to act without France, or without the rest of the League. They may close the Suez Canal to the Italians. If they are successful in doing this, it may mean defeat for Italy's African adventure, but the attempt to do it will precipitate a war between Italy and Great Britain. Perhaps the Germans might seize this as their opportunity to make further aggression. Perhaps with two potential enemies—the British and the Italians—locked in deadly combat, the Germans might set their armies in motion and bring on the long-expected "next war."

British Position

The French are, of course, sorely disappointed because the British did not back them up strongly when the German crisis developed last month. Why didn't Britain stand with France at that time? Why didn't she help to impose sanctions against Germany? Why didn't she consent to a policy of stopping trade with Germany just as she was asking France to do in the case of Italy? That is rather a hard question, and it is a question which has divided British opinion. Many Englishmen thought that Britain should stand shoulder to shoulder with France. But others, and apparently a majority, were

somewhat sympathetic with the Germans. They felt that the Rhineland was, after all, German territory. They opposed the attempt of the French to prevent German fortification there. They felt that France had been aggressive with respect to Germany ever since the war. They blame the French largely for the development of bad relations with Germany. They feel it was possible to negotiate with Germany and establish conditions under which there might be peace for many years. At the same time they dreaded another war with Germany. They were willing to make concessions in order to avoid it. They could not bring themselves to take action which might precipitate such a horrible thing. So they have been for moderation just as France has been for moderation in the case of Italy.

Heart of the Trouble

The great difficulty in Europe comes from the fact that two countries—Germany and Italy—have set out at the same time on a policy of aggression. Each one has broken treaties and each one is defying the League. These two nations dislike each other and are potential enemies. But they have one thing in common; both stand in opposition to the nations which are trying to maintain the *status quo*; that is, to keep all the national boundaries where they now are.

It is practically impossible for the British and French and the other League powers to curb both these two aggressive nations at the same time, and the British

and French cannot agree upon the one which is to be held in check. France wants to ignore what the Italians are doing and clamp down on the Germans. And it is easy to see why the French should take this position. The British are for compromise with Germany and for clamping down on the Italians. And here again, it is easy to understand the explanation.

And so the two nations which must take the lead in maintaining the authority of the League of Nations and in squelching aggressors, find themselves in opposition on vital policies. Each is bitterly disappointed that the other does not fall in line and cooperate. The French are so badly disappointed that some of them are talking about withdrawing from the League of Nations. They are saying that there is no hope of getting the League to act strongly against Germany. They add that if France is to be secure, she must be able to beat off a German attack, and that she can do this only by having strong allies. Since she cannot depend upon the League, she might as well drop it and make alliances with nations which can be depended upon because their interests are the same as those of France—nations such as Russia, Czechoslovakia, Rumania, and Yugoslavia.

But that is rather an extreme position and many of the French do not subscribe to it. Though the situation is extremely difficult, hope of unity of action among the British and the French and the other League powers has by no means been abandoned. The British and French need each other. If Germany should crush either, the other would probably be at her mercy. The British and the French know this, and they will not forget it during their most heated disputes. So it may be that they will come to terms and act in harmony. At any rate, the next few weeks are likely to see developments of great historic importance.

The Picture Behind the Cost of U. S. Government

(Concluded from page 8)

complex civilization appears to require.

What, then, does the citizen get for the \$1 out of \$3 which he turns over to the government? What does the government do for him with that \$1? It pays the costs of the war which Americans so enthusiastically entered. It assists the veterans who fought that war. It takes off the citizen's shoulders the burden of helping to care for his destitute neighbor's



THE WAY OF THE CROSS

—Doyle in New York Post

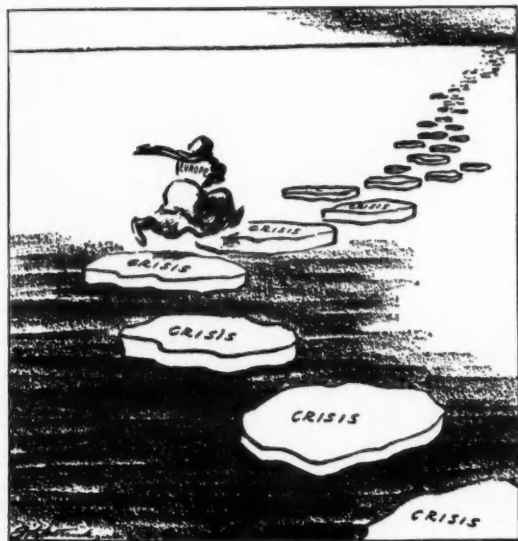
family. It protects him against foreign foes. It protects him against criminals within the country. It builds roads on which he can travel and regulates traffic so as to make traffic on the roads possible. It furnishes education, and maintains many other services.

Services Essential

What does the citizen get with his other \$2? He gets his home, though it may not be an elaborate one, his clothing, his food, his electricity, his automobile, and other sundry supplies. Does he get more in proportion for the \$2 which he assumes the responsibility of spending, or for the \$1 which he turns over to the government to spend for him? That is a hard question to answer. Perhaps there is no way of answering it satisfactorily. Certainly the services rendered to him by his different governments are essential to his life. Certainly they could not be cut down very much without throwing upon him the responsibility of paying out of his own pocket for some of the things with which the government now supplies him.

The effort to reduce waste in government should go forward, but it should be carried on intelligently and discriminately—saving the services which are necessary, lopping off only those which are not useful. Every possibility should be made to see that the work of the government is done in the best way and by the most efficient agencies which can be created. Issues will arise as to how these savings can best be made. Such issues are developing in the political campaigns of this year. It would be a great mistake for the citizen to be deceived by the clamor about governmental expenses so that he would come to feel that money spent by the government is necessarily wasted. It would be unfortunate if the citizen should not undertake to distinguish between quack remedies for governmental overspending and fundamental reforms, which alone can in the long run reduce the costs of government.

New government buildings in Nicaragua to replace those destroyed by the recent earthquake will be constructed of materials purchased from Germany. Nicaragua will pay the bill with coffee. Americans will design and erect the buildings.



WILL ELIZA NEVER GET ACROSS?

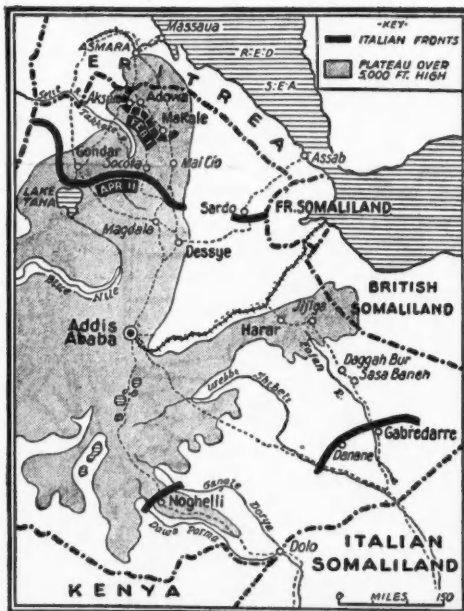
—Fitzpatrick in St. Louis Post-Dispatch

position of oil sanctions. Such a course would either lead to Italian defeat or it would stir the Italians to such fury that they would make war upon the League powers. France does not want either of these things to happen. As we have pointed out before in THE AMERICAN OBSERVER, the French are not much interested in the Italian-Ethiopian trouble. Their eyes are fastened upon the Rhine where, within a few miles of their own borders, the Germans are massing troops and building great fortifications. France is concerned about just one thing—the checking of German power. Germany, as well as Italy, has broken a treaty. She, too, has defied the League. The French want sanctions imposed upon Germany.

France Needs Italy

If German armies cannot be checked, the French foresee the time—perhaps not long distant—when they and the Germans will be at war. If this time comes, they want Italy's help. They want to be able to move their armies through northern Italy so that they can protect their allies—Yugoslavia, Rumania, and Czechoslovakia—for it is well known that Germany may strike against these smaller nations. But if France follows England's lead and helps defeat Italian purposes, then the Italians will not help France in any venture against Germany. To the Frenchman the Ethiopian affair seems far off and of little consequence. It seems that it would be better to compromise, to ignore Italian violation of the League Covenant, to wink at Italian aggression in far-off Africa, in order to have a strong Italian ally in a probable German war.

It is quite possible, therefore, that France will continue to stand out strongly against the adoption of more drastic sanctions



—Courtesy New York Times

ITALY'S RAPID ADVANCE IN ETHIOPIA

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AROUND THE WORLD

Mexico: It is early morning in Mexico City, and across a field a plane moves, then rises gracefully into the sky. It points its nose to the north. Soon it disappears. Four hours later, the plane lands in Brownsville, Texas, and out of its cockpit step five men, among them General Plutarco Elias Calles.

In this dramatic way was carried out the exile of General Calles, who for over 10 years had ruled his country with an iron-fisted fist. The immediate cause of his eviction from Mexico was the bombing, several nights before, of a train in which nine persons were killed and a larger number wounded. President Lazaro Cardenas charged the former dictator and his supporters with the responsibility for this incident. He claimed that Calles plotted this bombing in order to undermine confidence in the government and to start a reign of terror. These charges have been denied vehemently by General Calles.

But whoever may have been responsible for this incident, it brings to notice the struggles that have been taking place in Mexican politics. It was in 1924 that Plutarco Calles became president of his country. For 10 years no one disputed his authority—but at the end of that period he refused to run again for office and decided to retire to his ranch. He



© Wide World
PLUTARCO ELIAS CALLES

gave his support to Lazaro Cardenas, hoping that the latter would take orders from him. Cardenas, however, pursued a different course. He followed his own political views. In sympathy with the working classes, he instituted a number of reforms, including better housing for workers, aid to farmers, socialistic education, and government ownership of utilities and key industries. Calles disapproved of these reforms. He termed them "communistic." In his disappointment, he left his country and became a voluntary exile in California. Last December he returned to his native land, but his arrival was greeted with popular demonstrations against him. He was ejected from his own party and was watched suspiciously by the government. His future, now, is uncertain.

Russia: With Japanese troops each day creeping closer to the borders of Outer Mongolia, and with Adolf Hitler denouncing the menace of Communism in Europe, there is a growing belief in Russia that war in the near future is a certainty. Today, Soviet Russia has an army of 1,300,000 trained men, but her leaders think that this is inadequate for her defense. Their land, they say, must have a powerful reserve of young people who will be ready at quick notice to come to the defense of the state.

It is these facts which have been emphasized at a convention of the Young Communist League now being held at Moscow. Over 1,000 delegates, representing a membership of 5,000,000 young people between the ages of 15 and 26, have swarmed into the Soviet capital and behind the closed doors of the throne room in the old imperial palace have pledged themselves to the defense of their country. Every member of the League, whether man or woman, is to be trained for some phase of work necessary during a war. Thus, at the outbreak of hostilities, over 6,000,000 Russians will be in a position either to attack the enemy or to defend their borders.

Nor does the training of all these young people have to begin now. Large numbers

of them have already received instruction either in shooting, piloting of airplanes, or sniping. Among them are over 1,000,000 mechanics, 10,000 horsemen, and 20,000 parachute jumpers.

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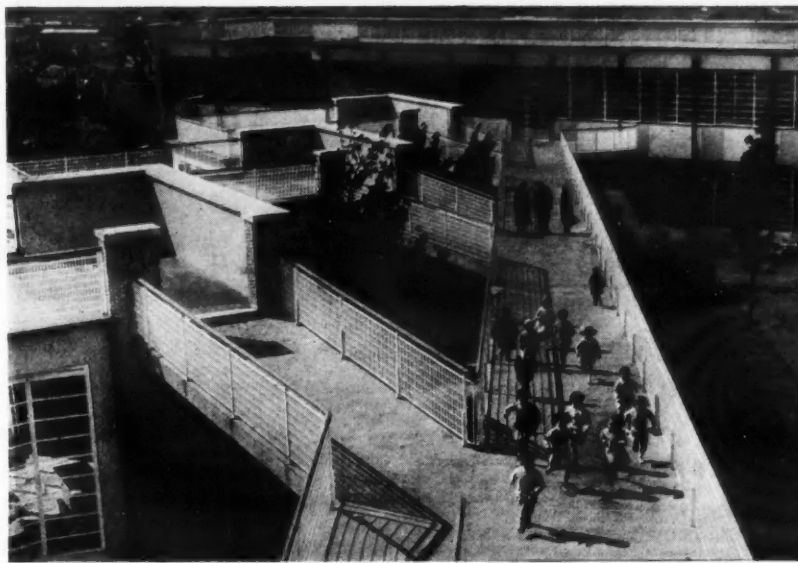
Latin America: Three Latin American republics have made a proposal, regarded as highly significant, for the establishment of a League of Nations for the western hemisphere. This suggestion came from the presidents of Colombia, Guatemala, and the Dominican Republic in letters formally accepting the suggestion of President Roosevelt for an inter-American peace conference to be held this summer. These statesmen feel that such an organization would prove the most effective way of promoting peace on the American continents. Guatemala went so far as to suggest that, in addition to a league, a permanent court of international justice for the American nations be established.

It is expected that the conference will convene in Buenos Aires late in July or in August. It has become apparent that the scope of its work will include much more than had been contemplated by President Roosevelt when he proposed this conference several months ago. Already there has been recommended a long list of topics to come under discussion. Among the more important of these are mutual assistance pacts, the easing of trade barriers, reciprocal trade treaties, and an investigation of social and other economic problems.

* * *

Spain: Niceto Alcalá Zamora, for five years president of his country, has been ousted from office by the Spanish Cortes, or parliament. President Zamora has been chosen to lead his people in recognition of the work he did in establishing a republic. But he found that to overthrow the monarchy was one thing; to organize a new and stable government was another and more difficult matter.

As in other countries, the people were divided into two basic factions. One group desired radical reforms, involving the redistribution of large land estates, the complete separation of church and state, and the government ownership of certain basic industries. The more conservative Spaniards, however, would hear nothing of this. They wanted the economic structure of their country to remain what it was when Alfonso was still king. Between these conflicting points of view President Zamora had to tread his way. Such a task was not easy. He adopted moderate policies, hoping in this way to pacify both sides. Actually, he displeased



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LATEST DESIGN IN FRENCH SCHOOLS

Modern buildings, with outdoor corridors connecting classrooms are the features of this institution located in Suresnes.

both and, in a moment of heated discussion, was removed from office.

Zamora's successor will be chosen on May 17. In the meanwhile, grave concern is felt for the future of this second Spanish republic. There is fear that the events of last month will be repeated—when rioting filled the land, and the government found itself unable to quell the disturbances. Moreover, while this political, bickering continues, difficult problems remain unsolved. The state's financial structure remains shaky, unemployment continues to mount, labor struggles become more bitter, and the distress of impoverished farmers grows worse each month.

* * *

France: The people of France are preparing for the election of members to the Chamber of Deputies, to be held on April 26 and May 3. According to all indications it promises to be one of the liveliest and most significant in years. The entire nation is largely divided into two groups, one supporting the Popular Front of liberal and radical parties organized to fight fascism, and the other aligned behind the conservative groups which range all the way from moderate conservatism to outright fascism.

The Popular Front is fighting to bring about the dissolution of the armed fascist and semi-fascist leagues; nationalization of the Bank of France, the chief financial agency of the nation which is controlled by about 200 wealthy families; higher tax-

ation on the rich and a huge program of public works. Devaluation of the franc, while not a part of the Popular Front program, is regarded as likely to take place in the event that the Front wins the election.

Until a few weeks ago it seemed certain that the Popular Front would win an overwhelming victory at the polls. The activities of the armed leagues have not been popular with the people; nor have the deflationary policies—economies, salary and pension cuts, etc.—of the middle-of-the-road cabinets won support. General sentiment throughout the country has been noted as tending farther to the left.

However, a new factor was introduced into French politics by Hitler's recent declaration of Germany's intention to rearm the Rhineland. This incident has brought the fear of another German invasion into the hearts of the French people. The right wing parties have seized the issue and are citing it to show the need of a strong government. Thus, many Frenchmen are wondering if it will not be necessary for France to reorganize her government to meet the threat of the dictator across the Rhine. Such reorganization, of course, would entail a greater centralization of authority, which is exactly what the French fascists want.

Whether this new element in the situation will prove strong enough to decide the election remains to be seen. Generally, it is still believed that the Popular Front will win, although by a reduced majority. If the decision is not clear cut it will necessitate the formation of another middle-of-the-road cabinet, perhaps a little more to the left than former ones, and France will continue to muddle along much as she has during the last few years. If, on the other hand, the Popular Front victory is decisive, France may have a much more radical government than she has had in the past.

* * *

The new German luxury zeppelin, the *von Hindenburg*, recently completed its maiden voyage across the Atlantic to Rio de Janeiro and back to Friedrichshafen. Engine trouble developed on the return trip, and only two of the four motors were running when the airship landed. Though Dr. Hugo Eckener was the commander of the zeppelin, the German government news services did not mention his name in their reports of the flight, largely because Dr. Eckener opposed the use of the airship for purposes of propaganda in the recent German elections.



A DICTATOR SMILES

Josef Stalin, dictator of the U. S. S. R., shakes hands with a schoolgirl.

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A YEAR OF DISASTER

Shortly after floods had ravaged many sections of the East, the South was visited by a devastating tornado. The picture is of Gainesville, Georgia, one of the most affected cities.

The President

Returning from his fishing and swimming holiday in southern waters, President Roosevelt stopped for half an hour at Gainesville, Georgia, where he spoke words of sympathy to survivors of the storm and tornado. When he reached his desk in Washington, he began to gather information on what had occurred during his absence. He met with his cabinet, and later conferred with congressional leaders on a very important problem—the prospective legislation on taxes and on relief.

He was also concerned with two important speeches. His Baltimore speech, delivered soon after his return, confirmed the suspicion that he is thinking of trying again to establish some of the benefits which the NRA sought to introduce. He declared that the government "must give, and will give, consideration to such subjects as the length of the working week, the stability of employment on an annual basis, and the payment of at least adequate minimum wages." Groups of Young Democrats in various parts of the country ar-



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CRUSADER

National commander of The Crusaders, anti-New Deal organization, which has come under the scrutiny of the Senate Lobby Committee.

anged local celebrations in connection with the President's address, which was timed to commemorate the birthday of Thomas Jefferson.

The second important speech is to be given before the National Democratic Club in New York, on the night of April 25. The Baltimore and New York speeches mark, in a way, the opening of Mr. Roosevelt's presidential campaign.

"The Most Urgent—"

As congressional committees were considering the President's request for an appropriation of a billion and a half dollars to carry

the relief program through another year, and as criticism of the New Deal's whole relief program was increasing, Harry L. Hopkins, in charge of the WPA, last week issued a detailed report on the activities of his agency. The most startling disclosure of the Hopkins report was the fact that there has been practically no dent in the size of the relief rolls, even though there has been a considerable degree of recovery. In March 1933, there were 20,000,000 persons receiving relief; in March 1935, the number was 21,000,000; in February of this year 20,000,000, and it is estimated that the number is about the same today.

Mr. Hopkins reported the former dole has been ended and that the persons being helped by the government are working on various projects sponsored by the WPA. All in all, there are scores of projects, most of them being construction work, such as highways, roads and streets, public buildings, parks and playgrounds, flood control and conservation, water supply and sewer systems, airports and airways, and health and sanitation projects. In addition there are the projects which critics of the administration have branded as "boondoggling" activities. Most, though not all, of these are for unemployed white-collar workers who are not suited for manual labor.

In publishing his report, the head of the WPA made no attempt to answer the many charges that have been made against the relief program, but confined himself largely to giving statistics. He did point to the seriousness of the relief problem and laid down a definite challenge to business. Mr. Hopkins does not consider it a temporary problem, but something with which the country must deal for years to come. "Relief," he said, "remains the most urgent socio-economic problem confronting the nation today. . . . Government aid will be necessary as long as prolonged unemployment persists. . . . This problem is intimately connected with employment opportunities in private industry."

G. O. P. Professors

Chairman Fletcher, of the Republican National Committee, has announced that a group of nine college professors, aided by a research staff of 50, would provide "comprehensive statistical and factual data" for the Republican campaign. This G.O.P. "brain trust" is also expected to "analyze" the New Deal and "expose its fallacies." "Its objective," said Mr. Fletcher, "is not merely partisan but to collect basic information on which national policies may be formulated. It is designed for public service as well as for party interest. Its studies will be made with the national interest in mind, in contrast to the presentations we know of on all sides by special organizations representing pressure groups or sectional or selfish interests."

Dr. Olin Glenn Saxon, professor of business administration at Yale, is the head of this new brain trust which is not composed, according to Mr. Fletcher, of "politically ambitious professors who look forward to getting on the federal payroll in the hope they can reform the universe."

The Week in the

What the American People

The Republicans have so consistently made fun of the Democratic professorial advisers that this Republican announcement came as somewhat of a surprise to Washington.

Hearst and the Court

The Senate Lobby Committee, in carrying on its investigations, has been studying telegrams which it subpoenaed from the files of the Western Union Telegraph Company. Many of these telegrams were communications between newspaper publisher William Randolph Hearst and his editorial writers. Hearst, charging that the right of freedom of the press was being infringed upon, sought an injunction restraining the Senate committee from using the telegrams. Chief Justice Alfred A. Wheat, of the District of Columbia Supreme Court, refused to grant the injunction.

Holding that freedom of the press meant the right of the press to criticize the government, Justice Wheat maintained that no such question was involved in this case. "You cannot

among well-to-do business and professional men.

These results, if they are accurate, indicate that issues today are, to a greater extent than under more normal conditions, being fought out along class lines. The less fortunate people in the country feel that President Roosevelt is their friend and is doing more than anybody else would do to better their plight. They better-to-do people, however, look upon him as their enemy. They think that he is trying to deprive them of their well-being.

To many impartial observers, this does not seem to be an accurate picture of the situation. They point out that the business interests have greatly increased their profits under the Roosevelt administration and that the workers have done less well. Nevertheless, it is a fact that President Roosevelt has been supported from the "have-nots" and heavy opposition from the "haves."

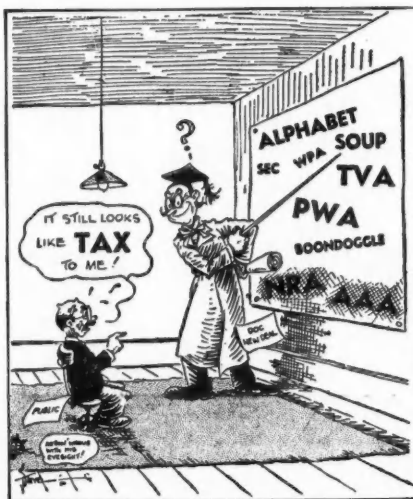
Navy Airmen

During the depression, the United States navy had no difficulty in finding men between 20 and 28 years old to train for aviation work. Jobs in private industry were practically impossible to obtain, and young men seemed too anxious to try their luck at naval flying. But this year applications for aviation courses in the navy are coming in so slowly that officials are somewhat worried. Lieutenant William C. Allison, commandant of the Naval Reserve Air Base at Floyd Bennett Field, made this statement a few days ago:

"We issued a call several weeks ago for applicants in the third naval district who wanted to become pilots at the government's expense and only about 75 or 80 applications have come in so far, compared to some 600 which have been received at this time last year following a similar announcement. Other naval districts throughout the country, I understand, are having the same experience. The only explanation we can offer is that prosperity is luring our prospects away from us."

"All Right, All Right!"

The amateur radio program of Major Edward Bowes, according to an article in the magazine *Today*, is believed to have attained the greatest popularity of any commercial program in radio history. The size and interest of the audience are suggested by the fact that two squads of 50 to 60 girls each are busy during the program, and for half an hour thereafter, to record incoming telephone votes for



"BLESSED WITH SOUND VISION"

—Steve in Syracuse Post-Standard

say," declared Justice Wheat, "that the proprietor of a newspaper is not amenable to ordinary judicial process, or that his communications with his subordinates are sacred. You could not say that for a minute. I do not think any question of freedom of the press is involved."

The chief justice also held that his Court could not give orders to a Senate committee: "I have not been informed yet of any case in which any court has assumed to dictate to a committee of the Senate what it should do and what it should not do, and I do not feel that I have any right to inaugurate any such principle as that."

Hearst plans to carry the fight to the United States Supreme Court. Congress has appropriated \$10,000 for the use of the lobby committee in the legal battle to defend its position.

Roosevelt Gains

President Roosevelt's popularity has been increasing for four consecutive months, according to the monthly polls taken by the American Institute of Public Opinion. The latest vote conducted by the Institute shows 54.5 per cent of the participants in favor of Roosevelt's policies.

One of the interesting facts about these polls is the line-up of the voters. They give additional proof that people with higher incomes are mostly opposed to Roosevelt while people on relief or in the low-income groups are inclined to support the President. In the last poll, for instance, President Roosevelt was favored by nine out of 10 people on relief, and seven out of 10 just above the relief level. On the other hand, he had only five out of 12 supporters among voters with better than average incomes, and not quite one out of three



MARCH 1935
The Army Day

The United States

Doing, Saying, and Thinking

favorite amateurs. In addition, ballots are cast by mail and telegraph.

The article in *Today* continues with these facts: Every day about 2,000 persons apply for auditions on these programs. Only about 400 are tested each week. Of these, some 15 are put on the program. Standard Brands, Inc., the sponsor, spends about \$1,000,000 a year for talent, radio time, telephone hookups, etc. Major Bowes is reported to receive \$5,000 a week. He is also part owner of a magazine devoted exclusively to amateur activities and selling at the rate of 300,000 copies a month. In addition, he has assembled 13 groups of amateur performers who have so far toured 46 states and broken attendance records in 12 of them. For these road shows, more than 100 towns and cities have declared Major Bowes Days, Nights, and Weeks.

Rural Electrification

The House of Representatives has passed a bill putting the Rural Electrification Administration on a permanent basis. This means that steps will be taken during the next 10 years to bring electricity to some of the 5,000,000 farms now entirely without electrical service. The RFC will lend \$50,000,000 for the coming fiscal year, and \$40,000,000 will be appropriated annually thereafter for the following nine years.

Half of the money will be lent to individuals and to organizations to construct transmission lines and to buy generators. The other half will be used to install wiring and electrical fixtures in farm homes and buildings.

The House bill authorized a total expenditure of \$410,000,000, all of which would eventually be repaid to the treasury. A similar measure authorizing \$420,000,000 was passed by the Senate on March 5. A coming conference of Senate and House leaders is expected to reach a compromise agreement.

The importance of rural electrification is testified to by the fact that our country lags far behind certain other nations in the use of electricity. In France and Germany about 90 per cent of the farms are electrified, while only a little more than 10 per cent of the farms in this country enjoy the benefits of electricity. A recent editorial in the *Spokane, Washington, Press*, gave some pertinent facts in this connection:

We think we use electricity more widely than any country on earth—only we don't. The average man in the United States uses only one-third of the amount the average Ontario (Canada) citizen uses.

Dividing the population into the number of kilowatt-hours used, each citizen of the United

States burns up 1,025 hours a year. That's a lot—but the average Canadian uses 2,124 hours; the average Norwegian uses 3,560. Even little Switzerland beats us.

We're always talking about power; some other countries go ahead and use it. Millions of our farmers don't yet know what flipping a switch means.

No Fireside Campaign

Whatever President Roosevelt thinks about his chances of reelection in November, he has no intention of waging a passive campaign. According to Raymond Clapper, political commentator of the Scripps-Howard chain of newspapers, the President will be just as active as he was in 1932:

Roosevelt is preparing for another campaign as aggressive as his 1932 fight. Although his confidence must be strengthened by polls and individual judgments forecasting the increasing probability of his reelection, he is taking no chance. More than that, it seems probable that he is determined to mass as heavy a vote as possible in order to emphasize the vindication which he anticipates for the New Deal's first term. . . . Prob-



THE CALL OF THE WILD

—Elderman in Washington Post

ably he will make a personal appearance before the Democratic National Convention as he did in 1932. White House word is that he expects to engage in a traveling campaign as in 1932. It won't be any fireside fight so far as he is concerned.

Since the war we have had two White House incumbents up for reelection—Coolidge and Hoover. Both sought to maintain the fiction during their reelection campaigns that they were not waging aggressive campaigns. Coolidge stayed in the White House most of the time, conspicuously attending to business—without, of course, depriving himself of his customary afternoon nap. Hoover tried it, too, but toward the end of the campaign his advisers had a panic and in the final few weeks they chased him around the country like a tired rabbit from one platform to another, with way station rear-end appearances, in a frantic effort to check the oncoming tide.

Roosevelt is going after another term, frankly and aggressively—to get as heavy a vindication vote as can be mustered.

Wallace Under Fire

Secretary Wallace has been subjected to severe criticism recently because of the large payments to farmers made by the government under the AAA program. The Senate had under consideration a resolution calling upon the agricultural authorities to make public the names of all persons who received \$10,000 or more from the government for limiting their crops. Secretary Wallace did not wait for the Senate to act but made public a list which contained the names of two companies which received more than a million dollars each. Most of the companies receiving such large sums were engaged in producing either sugar or cotton.

But though these payments have been criticized by opponents of the administration, they are justified by AAA officials as having been necessary for the successful carrying out of their farm program. According to this program, the government was paying farmers in



THE WORKERS' ALLIANCE IN WASHINGTON

© Harris and Ewing

Representatives of WPA workers and unemployed descended upon the capital to demand greater federal assistance for the needy. They left, promising to bring an army of followers to Washington this summer if their requests were not granted.

order to induce a reduction of crop acreage. The payments were in proportion to the amount of land that was taken out of cultivation. Obviously, not a single farmer could be left out of such a scheme. To have done so would have meant to destroy the whole program. The fact that some firms received large sums did not indicate that the government was merely throwing away money in subsidies. On the other hand, they point out that over half a billion dollars were paid to the farmers of the United States and that the proportion of large payments was very small.

Johnson Criticizes

The WPA program was severely criticized in a report made by General Hugh S. Johnson to Harry L. Hopkins, WPA administrator, shortly after General Johnson retired as head of the New York City WPA. The document, in which General Johnson says that "60 per cent of this invented work is a needlessly expensive and fatuous gesture," has just been made public. The general seemed to be strongly in favor of direct relief rather than work relief. "I note the reiteration that new government relief plans will be 'all work and no dole.' If it is, imagination must become more fanciful still, provide for expenditures more prodigal, and the practical result will be more parsimonious. I earnestly hope that such will not be the case."

The report was originally issued last October. To a certain extent the general still sticks by the opinions he held then, but in a recent statement he said of his report that it "covered the early experimental phases of WPA" and that "many of the things criticized have now been corrected."

When They Grow Up

From a recent survey conducted among boys in New York City, it would appear that American youth is not unanimous in the ambition to become president of the United States. Asked whose job they would prefer if they had a choice of all the jobs in the world, the lads indicated that they would by far prefer that of Robert Ripley to that of President Roosevelt. Indeed the President was relegated to seventh place, behind J. Edgar Hoover, who was their second choice; James Cagney, motion picture actor; "Dizzy" Dean, baseball player; and Jack Dempsey. But President Roosevelt may have well consoled himself with the thought that his job, however unenviable at this time, was yet coveted more than that of King Edward VIII who placed only eighth.

In Brief

Between 1933 and 1935, it is estimated, 800,000 American farms were lost through foreclosure of mortgages. A year ago, 700,000 farmers and their families, together with 600,000 farm workers were on federal relief.

That the Ford Motor Company is combed with spies employed to report on the activities

of labor in the plants was charged by John M. Carmody of the National Labor Relations Board. Other industrial concerns were charged with buying all sorts of arms to cope with strikes and other labor troubles that might arise.

Names in the News

Jose Iturbi, world-famous pianist, escaped with slight injury in a collision between a Pan-American Airways plane and a launch in the harbor at Port-of-Spain, Trinidad. Three people were drowned as a result of the accident. Until this collision, only two passengers had been killed in Pan-American planes since the inauguration of this air service 10 years ago.

* * *

James M. Beck, former congressman from Pennsylvania, bitter foe of the New Deal, and an authority on the Constitution, died in Washington last week. He resigned from the House in 1934, declaring at the time: "Under present conditions, Congress is merely a rub-



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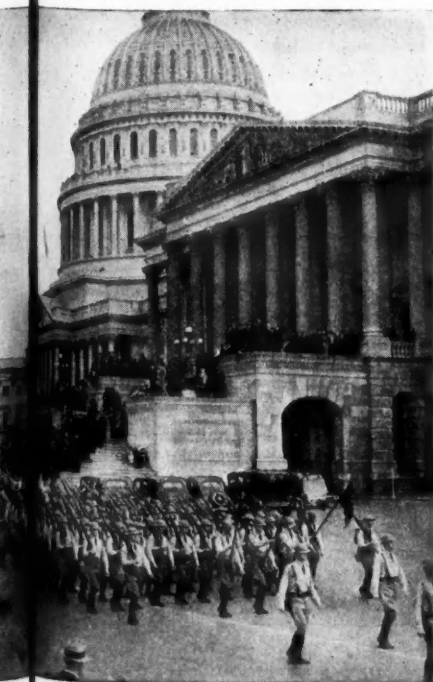
MICROBE HUNTER

Dr. Thomas Parran, Jr., of New York, who has been appointed surgeon general of the U. S. Public Health Service, to succeed Dr. Hugh S. Cumming.

ber stamp for the executive and to be one-four-hundredth part of a rubber stamp no longer appeals to me."

* * *

Daniel W. Hoan, Socialist, has been elected mayor of Milwaukee for the seventh consecutive time. Although there are but a handful of Socialists in Milwaukee, Mayor Hoan has continued to win the support of liberal groups and often citizens of no particular political philosophy because of the efficient and economical administration. Generally, he has not advocated the carrying out of Socialist theories, although this year he went further than in previous campaigns.



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SEARCHING
the nation's capital.

Historical Backgrounds

By David S. Muzzey and Paul D. Miller

The Wilson and Roosevelt Reform Programs

WOODROW WILSON, like Franklin D. Roosevelt, will go down in history as a reform president. Both came into office with definite philosophies of government which differed from those which had held sway previously. Both sought to use the power of government to correct abuses which had crept into the economic system. Both sought to popularize their philosophies by giving them symbolic names. In the case of Wilson, it was the New Freedom, and in the case of Roosevelt it has been the New Deal.

In many respects, the basic aims of the two Presidents were identical, for both tried to reorganize our economic life in such a way as to distribute the benefits more widely, to give the common man a greater chance than he had enjoyed, and to strip the big business elements of the economic



DAVID S. MUZZEY

and political control which they had exercised. The methods they used have differed in a number of important respects. We find in the case of Wilson's New Freedom, for example, an attempt to use the power of government to reestablish the free competitive system which the growth of monopoly had done much to destroy. It was designed to restore the *laissez-faire* system—the system of free competition—which called for noninterference by government in the affairs of business, but which noninterference had itself destroyed the system by making competition a dead letter. Thus Wilson wanted to restore the Jeffersonian system by the use of the very governmental power which Jefferson feared.

New Freedom and New Deal

Although there is still much vagueness behind the basic philosophy of the New Deal, there has as yet been nothing to indicate that President Roosevelt has contemplated correcting the economic ills by means of restoring the system of free competition. There has been no fight against the big trusts and corporations. As a matter of fact, in the early stages of the New Deal, its foundation, so far as industry was concerned, was based on the NRA, and the NRA permitted the laying aside of the antitrust laws and the combining of business more closely than ever before. But the power of government was to be used to see that all sections of the population benefited from the industrial progress that had been made. Hours and wages were regulated so as to give labor a larger share in the product of industry. But no attempt was made to restore the *laissez-faire* system and to protect small business from the competitive onslaughts made by the giant corporations and trusts. Of course the tax program of the present administration, placing heavier burdens upon the large corporations, has been interpreted by some as a drive against bigness in business.

There are three essential features of the New Freedom which command our attention, for Wilson sought by these devices (and there is no telling how far he might have gone had the World War not intervened) to revamp the economic order for the benefit of the masses. His first attack upon big business was in the form of tariff revision. The tariff act passed early in his administration was the first serious attempt at tariff reform since the Civil War. Wilson considered the tariff a tax on the great bulk of the population for the benefit of the few business concerns, for it enabled them to charge higher prices than would otherwise have been the case.

Wilson's second reform was with the banking system. Shortly after his inauguration the Federal Reserve System was estab-

lished. Whereas under the old banking system, the federal government exercised scant control over the banks of the country and the large New York banks were able largely to determine banking policy of the entire country, the new law attempted to make the banking system serve the needs of every section. Thus instead of New York City being the financial center and reservoir of the nation, 12 regional reserve banks were established from which the banks of the country could draw for funds, and if the resources of any one of these 12 banks proved inadequate, it could call on the others for assistance.

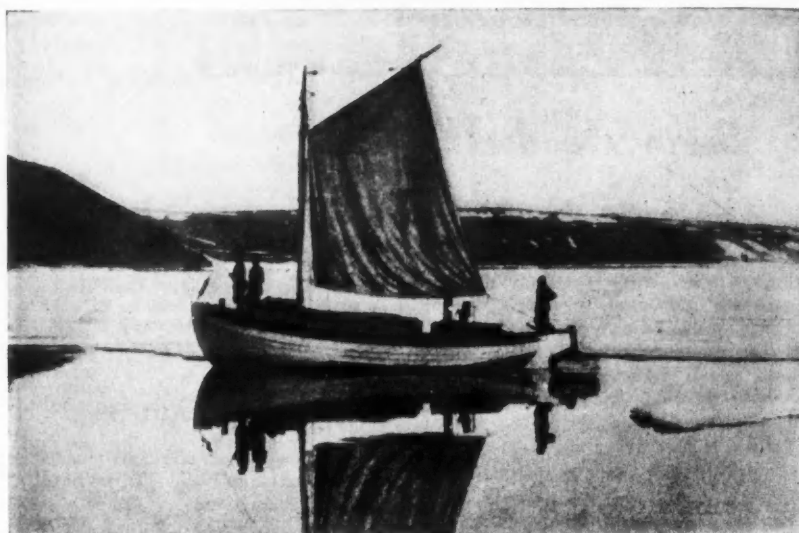
The third important move made by the Wilson administration took the form of additional trust legislation. It is true that antitrust legislation was on the statute books long before Wilson took office, but these laws did not greatly curb the growth of monopoly. Wilson, therefore, sought to stop up the many loopholes which enabled big business concerns to freeze out the little fellows and to destroy the free competitive system. The Clayton Act of 1914 sought to accomplish these purposes and to deal a serious blow at monopoly.

Though these were the main reforms inaugurated by Wilson, they are by no means the only ones. Other measures designed to benefit labor and the masses were enacted into law. Whether they would have succeeded in altering the character of American economic life if the World War had not come is a question which can never be answered. The fact is that the war did come and the war worked to accomplish the opposite results. War creates such a national emergency that the entire economic strength of the nation has to be concentrated on its successful execution, and the war fostered the cause of monopoly.

Reforms Again Demanded

With the armistice, big business was more firmly in the saddle than ever before, and the demands to unhorse it would probably have remained faint and ineffectual had the great crash of 1929 not come. The conditions preceding the depression were such as to create the illusion in the minds of most people that the country was soaring to an ever higher level of prosperity which could not be interrupted. But the depression did come, and as it grew in severity strong demands for reform were again heard on the horizon. Discontent against what a majority of the voters considered to be the rule of big business resulted in the election of Roosevelt in 1932 and the birth of the New Deal in 1933.

It would be futile at this point to undertake a fair and unbiased appraisal of the New Deal. Its avowed aim is to create better living conditions for the masses of the American people. Definite attempts can be seen in a number of its acts to give the economic underdog a better day. There can be no doubt about its having won the antagonism of the big business interests of the country which see in it a menace to their future prosperity. Nor can the present administration be said to have won the unanimous support of those elements which are genuinely interested in reforms to improve the common lot. To them, the New Deal represents no clear-cut philosophy, but general confusion. To them, its bark is much worse than its bite as they believe it is undertaking nothing fundamental which big business need fear. And just as no final verdict on the New Freedom can be given because of the World War, so no definite judgment on the New Deal can yet be given because of the uncertainty which still surrounds it.



FROM AN ILLUSTRATION IN "ARCTIC ADVENTURE"

Among the New Books

Enigma Explored

"T. E. Lawrence of Arabia," by Charles Edmonds. (New York: Appleton-Century. \$1.50.)

SO MANY legendary reports have sprung up about Lawrence of Arabia that it has in the past been difficult to estimate his true worth. During his lifetime he approached as nearly mythical proportions, probably, as a person living in our day could. That, in spite of his modesty, he did not dislike quietly playing the part of "hero" is evident.

In this brief, interpretive biography, Mr. Edmonds attempts to evaluate the man in relation to his work. The biographer's attitude toward Lawrence is fair and sane. The greatest part of the book is taken up with a careful discussion of the Arabian revolt and the known part Lawrence played in it. Unfortunately, many phases of Lawrence's life still remain obscure. Mr. Edmonds' biography is an interesting summary of all the Lawrence literature now available.

Stranger Than Fiction

"Arctic Adventure," by Peter Freuchen. (New York: Farrar & Rinehart. \$3.50.)

PETER FREUCHEN, at 19, sailed away from Denmark to spend the best years of his life in "Arctic adventure." Although he had never heard the term "going native," he quickly became as integral a part of Eskimo life as a white man could. The civilization he had seen in Europe, though it called him once or twice, could not hold

him. There was always a life of action in Greenland; streaking across the snow on a dogsled, hunting seals in tiny boats, or walrus from the ice, or musk oxen on land. When the girl he had left in Copenhagen failed to arrive on the boat which Freuchen eagerly met, he married a native, had three children, and was consummately happy.

Trader, explorer, and adventurer always, this man who led such a simple life, who remained unassuming and completely natural, possesses a highly subtle sense of humor. It enlivens the already vivid pages of "Arctic Adventure" time and time again. The unwise reader, who rushes through the book, will be bewildered by the number of exciting adventures which befell Freuchen and will miss a great many enchanting reports. It is impossible to doubt their truthfulness.

Of Rare Vintage

"Elizabethan Women," by Camalief Bradford. (Boston: Houghton Mifflin. \$3.00.)

THE title of this posthumous work of a great New England biographer may be somewhat misleading to prospective readers. It refers not to any specific women, but to the women, as a class, of that period, roughly from 1558 to 1649, which is generally designated Elizabethan. Included in the volume are 12 essays, describing the period as a historical era, the education, the home life, and the social life of Elizabethan women; one section of the book dealing with the women of the period as portrayed in Elizabethan drama. Unquestionably the writing was a labor of love for Bradford. He possessed an immense knowledge of the literature of the period, and has included here many delightful quotations from contemporary authors. These essays are rich, yet delicate; they demand slow, quiet, contemplative reading.

Collection of Wit

"The Greatest Pages of American Humor," by Stephen Leacock. (Garden City: Doubleday, Doran. \$2.50.)

TAKEN purely as humor, it is a weird selection that Mr. Leacock has made from the writings of American humorists. As a guide it is an effort to be commended. From the grim humor of Puritan New England (omitting what humor there was in the South) Mr. Leacock carries his researches down to *The New Yorker* and Will Rogers. It is unfortunately true that most of what was once considered humor does not seem very humorous today. However, in these pages one will meet, along with many others, Washington Irving, Bret Harte, Mark Twain, and O. Henry.

On page 8 of last week's AMERICAN OBSERVER we carried a picture of the New York Daily News building. Through an inadvertence the location of this building was given as Chicago. We regret the error.



LAWRENCE

From an illustration in "T. E. Lawrence of Arabia."



The mad scramble for preparedness. Is the United States immune? Do armies and armaments insure peace? The question of determining what our national interests are and acting accordingly.

THESE three imaginary students will meet each week on this page to talk things over. The same characters will continue from week to week. We believe that readers of THE AMERICAN OBSERVER will find it interesting to follow these discussions week by week and thus to become acquainted with the three characters. Needless to say, the views expressed on this page are not to be taken as the opinions of the editors of THE AMERICAN OBSERVER.

Mary: It seems to me that the European nations are very foolish to spend so much money preparing for war. Why are they pouring millions upon millions out for fighting equipment? Do the people not realize that that is the surest way of getting into war?

Charles: Why do you speak merely of the European nations? The United States is spending as much as any of them; probably more. The budget submitted by the President last January called for an expenditure of nearly \$1,000,000,000, and as the bills have now been revised in the House and Senate they lift the bill above \$1,000,000,000. In addition to this, several hundred millions are being taken from the Public Works fund and are being used by the army and navy. If anyone is foolish in making such heavy expenditures it seems to me that America is.

John: If the United States should get into a war you wouldn't think we were foolish in having prepared for it. I hate war just as much as anybody. The members of Congress who are voting the appropriations hate it. But we know that war is a possibility in this world, and since it is a possibility, our country should be prepared for it.

Charles: Do we need to spend more than the other countries are spending?

John: I'm not sure that we are spending more. We're spending more than some of them are, and the reason should be clear. For one thing, this is a larger country. We have a longer coast line to defend. America is exposed on two oceans. We must have forces large enough to protect ourselves on the Atlantic and the Pacific. There is another thing to take into account. The United States pays its soldiers more than other countries do. Therefore it costs us more to maintain a thousand soldiers than it costs the other countries. It costs more to build and maintain a warship because the wages of our workmen are higher and so are the payments to our sailors. When we say, therefore, that we are spending more than other peoples it doesn't mean that we are actually maintaining larger forces.

Charles: What you say is probably true, but at least we're spending between one and two billion dollars. That is a tremendous sum. Why are we preparing so feverishly? Whom do we expect to fight?

Mary: You can't always tell in advance, Charles, whom you are going to fight. A few years before the World War no one supposed we would fight Germany. If anyone had said in 1913 that in five years America would be at war with Germany, he would have been thought insane, but four years later we were at war. We don't know whom we will be fighting five years from now.

Charles: If we have any sense we won't be fighting anybody. What do we have to gain by fighting any nation?

John: What does any nation have to gain by going to war? Maybe they don't gain anything, but nevertheless they go, and if there is going to be a war it is better to be on the winning side than the losing side. That's why it pays every nation in times like these to be ready.

Mary: But we ought to be reasonable about it. We can't be prepared for any possible war. All that we can sensibly do is to prepare to fight any nation that we are likely to have to fight. Now each of the

other nations which is making preparations knows whom it will probably fight. The Japanese, for example, know that they must definitely be prepared to fight Russia. The French feel that they must be prepared to fight Germany. The Germans are arming so that they can hold France at bay while they are expanding into Austria or Russia. The wars that these nations look forward to are outlined in the immediate future.

taining a force stronger than we need to protect ourselves, yet not strong enough to win the kind of war that you say is probable.

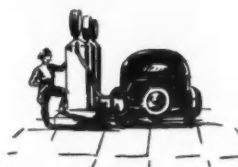
Charles: If we go over to the Far East to fight Japan, we won't go alone. The British will be with us. I think it quite likely that the British navy and the American navy, as it will be in two or three years at the present rate of building, will be large enough to whip Japan, even in Japanese waters. If these two navies wouldn't be large enough, I'd like to see the United States build even faster.

Charles: Well, I wouldn't. I think we should prepare to fight in self-defense but not to go running all over the world. We signed the Paris Pact, saying we would fight only in self-defense. Why not live up to our treaties?

John: Well, nobody else is doing that.

THE TOTAL COST OF THE WORLD WAR TO THE UNITED STATES WOULD BUY FOR EVERY FAMILY IN THIS COUNTRY

A NEW CAR

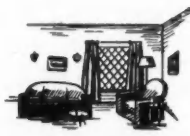


AND GASOLINE FOR A YEAR

CLOTHES FOR THE FAMILY



A MECHANICAL REFRIGERATOR



A RADIO

FURNITURE FOR THE LIVING ROOM



AND A FAMILY TICKET TO THE MOVIES ONCE A WEEK FOR A YEAR



FROM "PEACE IN PARTY PLATFORMS," COURTESY FOREIGN POLICY ASSOCIATION

They are real threats. Each country that's arming knows against whom it is arming. Can that be said of the United States?

John: Not so definitely. And yet we do know of certain countries that we may fight. For example, we are likely to have to fight Japan. Suppose that the Japanese close Chinese markets to the United States. Could we stand by and see our commerce destroyed?

Charles: You mean to say that we would gain enough by keeping Chinese trade, assuming we were threatened with its loss, that we could afford to fight Japan? Do you really think it would pay us to fight that kind of war?

John: Probably our trade with China right now isn't great enough so that it would pay us to go to war for it, but there is a vast potential market in China, a market which we can't afford to lose. We can't let any other nation tell us whom we can trade with and whom we cannot.

Mary: But in order to keep the Japanese out of China we would have to go to China or Japan to fight, wouldn't we?

John: I suppose so.

Mary: Well, if we go over there to fight, we will have to have a navy several times as large as Japan's, won't we? It seems to me that what we are doing now is main-

Anyway, Japan isn't the only country that we might have to fight. If the European nations should go to war, one of them might sink our ships just as the Germans did during the World War. Then we would have to fight to protect our rights and the lives of our people.

Mary: But President Roosevelt warned Americans last fall not to engage in any kind of dealings with the countries that were fighting.

John: Just the same, if the other countries are at war we are likely to get drawn in. Some of our ships might get sunk while they were trading with neutrals. If that happened we would go to war and if we are going to fight we ought to be prepared. That's why I don't object to this large appropriation for the army and navy.

Charles: That isn't much of an argument. As far as I'm concerned I'm pretty much up in the air about this whole problem. It seems to me that the first thing for us to do is to try to figure out what our vital national interests are and what we might need to fight for. Then we'll have a better idea of the countries we might have to fight, and we'll know how great our preparations should be. But until we've figured out a little more about our future policy, we will be working in the dark.

THOUGHTS AND SMILES

A Louisiana woman talked continuously for three days, according to a press association which has a peculiar idea as to what constitutes news.
—Washington Post

Republican government, based as ours is, on a two-party system, will never really be threatened as long as an opposition, fully conscious of its function, fully aware that it will inevitably return one day to power, is preparing the public for that time.
—Dorothy Thompson

Natives of a cert in part of South America gnaw a crude kind of rubber to allay the pangs of hunger. In this country cooks call it Welsh rarebit.
—PUNCH

In the old days she got a job because she couldn't get a husband; now the husband is easy to get if she has the job.
—Vernon (Mass.) TRADE NEWS

In the new China of today it would be hard to find a young person who did not in some way want to strike out for his country or his generation.
—Pearl Buck

Railroad stocks were strong last week on announcement of the new Notre Dame schedule.
—FORBES

If the trend to lighter trains and heavier buses continues, soon the trains will be stopping for grade crossings.
—Mobile REGISTER

Actor McLaglen wants to make his fans forget he once was a fighter. He might study how Primo Carnera did it.
—Jackson (Miss.) DAILY NEWS

If the penal colony system could be divorced of its past inhuman brutalities, it would be theoretically the best plan that men have tried (for the punishment of criminals).
—Gen. Hugh S. Johnson

A New York couple who have been married, divorced, and remarried, are now understood to be living in a demilitarized zone.
—Norfolk VIRGINIAN-PILOT

There is some doubt as to which constituted the greatest menace to the freedom of the press, the FCC's seizure of Hearst's telegram to his underlings, or the telegram, itself.
—Springfield UNION

An order for "Sweeney: The Middle Man" was received by the Yale University Press. They correctly inferred that the customer desired a copy of "Sweden: The Middle Way," by Marquis W. Childs.
—Yale University Press NOTES

We have long believed that not more than one in every thousand of our licensed drivers today is capable of safe operation of a motor vehicle at a speed in excess of 50 miles an hour.
—Charles A. Harnett, New York commissioner of motor vehicles

SOMETHING TO THINK ABOUT

1. If you had your way, would you cut the expenses of government, federal, state, and local? If so, how would you make appreciable reductions?

2. Cite 10 specific instances in your own community where government is performing services which it did not perform 30 years ago. Do you consider these functions necessary?

3. What is the basic clash of interests between the French and the English over policy in the present European crisis? Which, in your opinion, would have more to lose by yielding to the position of the other?

4. Do you think that peace in Europe could be preserved if the League of Nations were supported by an international army which could act against an aggressor nation?

5. What is the primary difference in the philosophy behind Wilson's New Freedom and Roosevelt's New Deal?

6. How has the position of the Popular Front in France been weakened by the development of the Rhineland crisis?

8. Do you think the heavy expenditures which the American government is making for armaments are justified by our national interests?

9. Do you see any indication in Harry Hopkins' recent report that our relief problem may be more or less permanent?

PRONUNCIATIONS: Lazaro Cardenas (la'tha-ro kar'day-nas—o as in go). Plutarco Elias Calles (ploo-tar'ko ay'lee-as ki'yays—o as in go, i as in ice). Niceto Alcalá Zamora (nee-thay'to al-ka-la' tha-mo'ra—o as in go).



EDUCATION

The building and maintenance of schools is a large item in public expenditure. A new unit of the Hollywood High School in California.

The Picture Behind the Increase in the Cost of U.S. Government

(Continued from page 1)

income and spends the money himself, buying things which he needs. Does he get less for the \$1 which the government spends for him than he gets for each of two dollars which he spends for himself? If he paid less to the government his tax bill would thus be lowered. But would he have to take the money he had saved by lower taxes and buy for himself some of the things which the government is now buying for him? And could he do these things as well as the government can? These are questions which demand consideration.

First, let us see why it is that governmental expenditures have gone up so much during the last 30 years. We do not have to probe deeply into conditions to see some of the reasons. Thirty years ago the country had not gone through a world war. It did not have to pay interest on a huge national debt and did not have to pay tremendous sums to veterans. International conditions seemed more stable so that the people did not feel under the necessity of preparing so feverishly for future wars. And nearly all the people at that time were able to find work so as to take care of themselves and their families.

Items of Increase

How much difference the changed conditions make can easily be seen when we get the figures in our minds. When the United States entered the World War, the national debt was only about \$1,000,000,000. Interest on this debt was practically nothing—only about \$30,000,000. But the war cost money. In addition to the tremendous sums raised at this time by the government for the carrying on of the war, a debt of \$25,000,000,000 was contracted. At the close of the war, the national debt was not \$1,000,000,000 but about \$26,000,000,000. The government had to begin paying interest on that debt. It had to pay more in interest on the public debt than the entire cost of running the government amounted to 30 years ago. There we have one big item of expense, and it is one that cannot very well be cut down. Someone might say that we should quit paying interest on the debt. But we must remember that many individuals and business companies have made investments in government bonds, and if the government quit paying interest on these bonds, there would be business failures all over the country.

The public debt was cut down during the years following the war until it was only about \$16,000,000,000. Then the depression broke. Since then the debt has about doubled. It is now over \$31,000,000,000. But we are not paying much more in interest than we paid before the depression,

because interest rates are lower. The cost of carrying a debt of more than \$31,000,000,000 now is actually less than the cost of carrying a debt of \$26,000,000,000 at the close of the war. The increased government debt accounts, however, for a large part of the added expenses of government.

Other expenses came along as a result of the war. The government had to take care of veterans who had fought for the country. The cost of this amounts now to about four-fifths of a billion dollars every year. And we must remember that 30 years ago the entire cost of everything that the federal government was doing was only a little over one-half a billion dollars a year.

Here is another war expense—the preparation for wars which may come in the future. For that item the federal government is now spending twice as much as the entire costs of the federal government 30 years ago. Are these huge military preparations necessary? There is a difference of opinion on this point, but most people appear to think that they are.

Costs of Relief

We come now to the other big factor which was mentioned in the increased cost of the federal government. In the early days of the twentieth century nearly all the American people who wanted work could find it. There were not many unemployed. The standard of living was not very high, but nearly all the families were able to look out for themselves. Now that is not the case. About one family in five or six is helpless. The breadwinner of the family cannot find work.

No good comes from the attempt to belittle that fact. Some people say, it is true, that there are many men not now working who could find jobs if they wanted them, but we know that there are fewer jobs in the country than there are workers—at least 10,000,000 fewer. If all the people who are satisfied now to accept relief should suddenly experience a great desire for jobs, how would they get the jobs? No new positions would miraculously open up. The only way that those now out of jobs could get them would be to displace some of the people who are now working. The total number of unemployed would be as great as it is now. The number of the unemployed will continue to be equal to the excess of workers above available positions, so there is no use to quibble about the merits of the people who are on relief. Despite all the quibbling, the fact will stand there; that is, that one-fifth or one-sixth of the families must be taken care of by the other families of the nation, or else starve.

Relief in its various forms today probably costs six to eight times as much as the entire cost of the federal government 30 years ago. But suppose the government should quit giving relief. Then we would have a situation like this: In the typical city block every fifth family would be out of work and destitute. Five or six families would have to get together and take care of a helpless family. Either that or they would have to see a neighbor's children hungry and starving. And that, of course, is unthinkable. Now since every group of five or six families must look out for another family, it is surely better that this work be done by having each employed family turn over money to the government, and then have the government look after those who are helpless.

How to Reduce

It would no doubt be possible to cut down the expenses of the government quite a little if we could have the wisest conceivable administration. If all possible wastes were eliminated, something would be saved, but not a large proportion of the total expenditures. If we want the costs of the national government to be lowered to any great extent, several things must happen. For one thing, we must so arrange our international affairs that we will not have war; that we will not be afraid of war. Then we must pay off the costs of the last war so that the burden will not be hanging over us. It will take time to do these things. They cannot possibly be done in a few years, but eventually the World War may be paid for. If then we can relieve ourselves from anxiety about future wars, we can cut expenditures decidedly. If, on the other hand, the anxieties continue and if we should become involved in another war, then, in spite of all the protests which we may make about increasing public expenses, the costs of the federal government will skyrocket and we will have to pay more by far than we are now paying. There is absolutely no question of that.

Another thing we must do if we are to cut federal expenses in a big way is to

solve our economic problems somehow, so that nearly all the American people will be able again to take care of themselves. How is that to be done? That is another question and one which we cannot go into at this time.

State and Local Costs

We come now to state and local expenses. Much is made of the fact that they are very much greater than they were 30 years ago. That is true. But here are a few things to remember: Thirty years ago it was an unusual thing to find a boy or girl going on to high school after having finished the grades. Now it is the customary thing. In 1900 the cost of education in the United States was \$215,000,000. In 1930 the cost was \$2,316,000,000—more than 10 times as much. Teachers' salaries in 1900 were \$137,000,000. In 1930 they were \$1,250,000,000. Attendance in the schools during this period just about doubled. But equipment improved, general costs of living went up, teachers' salaries increased, and a larger proportion of those in school were going to high school and college. And higher education is costly. If we cut state and local taxes very much it would appear that we must go back to the kind of education which was given a generation ago. For let it be remembered that more is being spent for education now than was spent on all state and local enterprises of every kind in 1900.

Here is something else: At the turn of



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CHIEF SPENDER

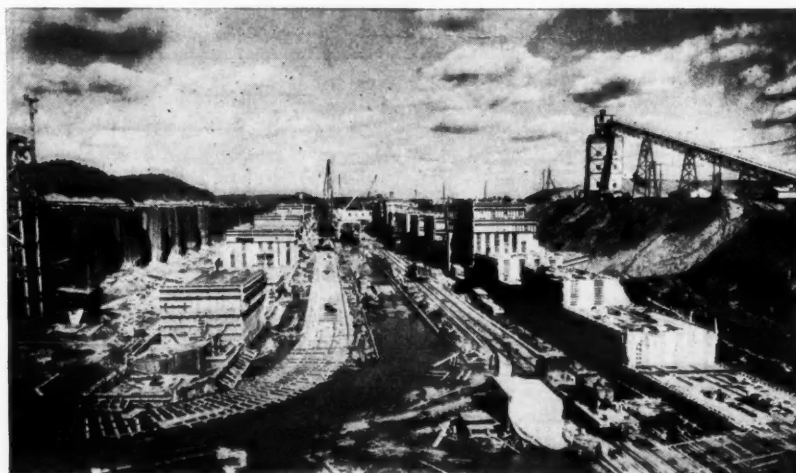
Harry L. Hopkins, director of the Works Progress Administration, reports to the House appropriations subcommittee on the sums spent for relief purposes.

the century there were scarcely any hard-surfaced roads in the United States. Now there are more than a quarter of a million miles of them. These roads cost money. But where would we be without them? Where would our automobile manufacturers be? How many cars would they sell if it were not for these roads? Where would other businessmen, many of whom are complaining today of high taxes, be, if it were not for the roads and for the schools?

Not only are the state and local governments spending more on schools and on roads than they spent, but they are spending more to preserve health and protect it. They are spending more on parks and recreational facilities. They are doing many things to make life secure and tolerable for people who do not have money enough to supply the various needs of life for themselves.

Now state and local expenses could be cut somewhat by economical administration. If the counties and townships were wiped out, and if there were larger local governmental units, a great deal could be saved. If minor state offices were placed under the Civil Service, there would probably be a much more efficient administration. Only eight of the 48 states have now emancipated themselves fairly completely from the spoils system. If these improvements in administration, which, by the way, are not advocated by many of the people who complain of high taxes, were put into effect, something could be saved—possibly a tenth of all the state and local expenses. This is merely a guess, however. But really significant savings could be made only by cutting down the expenses which are being incurred to give the people better education, better health protection, more effective protection against crime, effective traffic control, and other services which a

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FLOOD CONTROL

And the conservation of natural resources is taking a larger portion of the taxpayer's dollar. This is one of the projects of the Tennessee Valley Authority.